

ASSEMBLY BILL

No. 565

Introduced by Assembly Member Cogdill

February 18, 2003

An act to add and repeal Sections 17053.19 and 23619 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 565, as introduced, Cogdill. Personal income and business and corporation taxes: credits: clean-burning fireplaces.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes of a qualified taxpayer, as defined, for each taxable year beginning on or after January 1, 2003, and before January 1, 2008, in an amount equal to 25% of the amount paid or incurred during the taxable year to purchase and install a certified clean-burning device, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.19 is added to the Revenue and
2 Taxation Code, to read:
3 17053.19. (a) For each taxable year beginning on or after
4 January 1, 2003, and before January 1, 2008, there shall be allowed
5 as a credit against the "net tax," as defined in Section 17039, to

1 a qualified taxpayer an amount equal to 25 percent of the total
2 amount paid or incurred during the taxable year to purchase and
3 install a certified clean-burning device.

4 (b) For purposes of this section:

5 (1) “Qualified taxpayer” means an individual who owns a
6 woodstove or fireplace that is not certified by the Environmental
7 Protection Agency, and replaces that woodstove or fireplace with
8 a clean-burning device that is certified by the Environmental
9 Protection Agency. The qualified taxpayer shall “replace” the old
10 fireplace or woodstove by doing either of the following:

11 (A) Retrofitting the old fireplace or woodstove with a clean
12 woodburning insert.

13 (B) Rendering the old fireplace or woodstove permanently
14 inoperable and installing the new clean-burning appliance
15 elsewhere in the individual’s home or business.

16 (2) “Certified clean-burning device” means a fireplace or
17 woodstove that is certified as being clean-burning pursuant United
18 State Environmental Protection Agency standards.

19 (3) “Install” means to place in position in a functionally
20 operative state.

21 (c) In the case where the credit allowed by this section exceeds
22 the “net tax,” the excess may be carried over to reduce the “net
23 tax” in the following year, and succeeding years if necessary, until
24 the credit is exhausted.

25 (d) This section shall remain in effect only until January 1,
26 2009, and as of that date is repealed.

27 SEC. 2. Section 23619 is added to the Revenue and Taxation
28 Code, to read:

29 23619. (a) For each taxable year beginning on or after
30 January 1, 2003, and before January 1, 2008, there shall be allowed
31 as a credit against the “tax,” as defined in Section 23036, to a
32 qualified taxpayer an amount equal to 25 percent of the total
33 amount paid or incurred during the taxable year to purchase and
34 install a certified clean-burning device.

35 (b) For purposes of this section:

36 (1) “Qualified taxpayer” means a corporation that owns a
37 woodstove or fireplace that is not certified by the Environmental
38 Protection Agency, and replaces that woodstove or fireplace with
39 a clean-burning device that is certified by the Environmental

1 Protection Agency. The qualified taxpayer shall “replace” the old
2 fireplace or woodstove by doing either of the following:

3 (A) Retrofitting the old fireplace or woodstove with a clean
4 woodburning insert.

5 (B) Rendering the old fireplace or woodstove permanently
6 inoperable and installing the new clean-burning appliance
7 elsewhere in the corporation’s business.

8 (2) “Certified clean-burning device” means a fireplace or
9 woodstove that is certified as being clean-burning pursuant United
10 States Environmental Protection Agency standards.

11 (3) “Install” means to place in position in a functionally
12 operative state.

13 (c) In the case where the credit allowed by this section exceeds
14 the “tax,” the excess may be carried over to reduce the “tax” in
15 the following year, and succeeding years if necessary, until the
16 credit is exhausted.

17 (d) This section shall remain in effect only until January 1,
18 2009, and as of that date is repealed.

19 SEC. 3. This act provides for a tax levy within the meaning of
20 Article IV of the Constitution and shall go into immediate effect.

